

Message Text

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ACTION EUR-12

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TO USDEL SECRETARY LONDON NIACT IMMEDIATE

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C O N F I D E N T I A L SECTION 1 OF 2 MADRID 3632

E.O. 11652: GDS

TAGS: PFOR, MARR, SP

SUBJECT: MAY 12 MEETING OF US-SPANISH COUNCIL--TALKING POINTS

REF: MADRID 3604; MADRID 3585

1. THERE FOLLOW PROPOSED EXPANDED TALKING POINTS COVERING THE WORK OF THE 5 JOINT COMMITTEES AND THE AD HOC COMMITTEE ON COORDINATION WITH NATO. THESE ARE KEYED TO THE ANNOTATED AGENDA.

JOINT MILITARY COMMITTEE

THIS REPORT RECOMMENDS FIXING A SPECIFIC DATE FOR INAUGURATION OF THE COMBINED MILITARY COORDINATION AND PLANNING STAFF. GENERAL BROWN AND ADMIRAL BUHIGAS WILL HAVE DISCUSSED THIS AT THE MEETING OF THE JOINT MILITARY COMMITTEE IMMEDIATELY PRIOR AND WILL BE PREPARED TO MAKE SPECIFIC RECOMMENDATIONS. GENERALS LLOSA AND MCCLELLAN MIGHT ALSO BE CALLED ON TO AMPLIFY THE INITIAL WORK PROGRAM ENVISAGED FOR THE STAFF.

YOU MIGHT ALSO WISH TO

-- POINT TO THE IMPORTANCE TO THE SUCCESS OF SUCH ENDEAVORS OF A GREATER MUTUAL EXCHANGE OF INFORMATION, NOTING THAT MEASURES HAVE ALREADY BEEN TAKEN ON THE U.S. SIDE TO MAKE THIS POSSIBLE
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(FYI: NATIONAL DISCLOSURE POLICY TOWARD SPAIN HAS RECENTLY BEEN REVISED TO UPGRADE TO SECRET SPANISH ELIGIBILITY TO RECEIVE INTELLIGENCE INFORMATION).

-- EXPRESS THE HOPE THAT THE COMMITTEE MIGHT ACTIVELY LOOK FOR MEANS TO IMPROVE BILATERAL DEFENSE EFFORTS AND TO DEVELOP CLOSER COORDINATION WITH THE EFFORTS OF OTHER WESTERN EUROPEAN

MILITARY ESTABLISHMENTS.

(TO HIGHLIGHT THIS ITEM ON THE AGENDA, IT IS ALSO LISTED SEPARATELY AS ITEM II B.)

AD HOC COMMITTEE ON COORDINATION WITH NATO

PROVIDED FOR IN THE TREATY, IN ORDER TO MAKE RECOMMENDATIONS TO THE COUNCIL, THE COMMITTEE WAS ONLY ESTABLISHED ON FEBRUARY 9 AND THEN MET FOR THE FIRST TIME ON MAY 2. THIS PACE REFLECTS SPANISH DESIRES, AND THE RECOMMENDATIONS IN THE REPORT ARE ESSENTIALLY SPANISH FOREIGN MINISTRY INITIATIVES. THESE RECOMMENDATIONS CALL FOR

- MORE DIRECT CONTACTS WITH NATO;
- A MORE INTENSIVE INFORMATION COLLECTION AND STUDY EFFORT, BOTH ON THE ALLIANCE AND ON THE IMPACT OF CLOSER SPANISH-ALLIANCE TIES ON OUR BILATERAL RELATIONS UNDER THE TREATY; AND
- BRIEFINGS OF THE COMMITTEE BY U.S. EXPERTS, IN PARTICULAR ON MINISTERIAL MEETINGS.

SINCE THE COMMITTEE'S MAY 2 MEETING, SENIOR SPANISH MILITARY OFFICERS HAVE EXPRESSED CONCERN TO THE FOREIGN MINISTRY THAT TOO FAST A PACE IS SUGGESTED IN THESE RECOMMENDATIONS.

HOU MAY WISH TO

-- TAKE NOTE OF THE COMMITTEE'S FIRST REPORT;

-- SUGGEST THAT THE COMMITTEE
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HAS MADE A GOOD BEGINNING IN SEEKING WAYS TO DEVELOP INFORMATION ON WHICH TO BASE RECOMMENDATIONS TO THE COUNCIL;

-- RECALL THAT THE U.S. HAS NO TIMETABLE IN THIS AREA BUT WISHES TO BE RESPONSIVE TO THE SPANISH GOVERNMENT;

YOU MIGHT ALSO WISH TO

-- NOTE THAT THERE WILL BE A BRIEF SEMINAR ON NATO AT THE SPANISH NATIONAL WAR COLLEGE (CESEDEN), JUNE 6-8, DRAWING ON U.S. EXPERTS AT OUR NATO MISSION. THIS FOLLOWS UP ON A CESEDEN STUDY ON NATO CARRIED OUT LAST FALL, THE CONCLUSIONS OF WHICH WERE ESSENTIALLY POSITIVE;

-- ESPRESS THE HOPE THAT THE SPANISH MILITARY WILL TAKE ADVANTAGE OF THE OPPORTUNITY TO PLACE A LIAISON OFFICER AT EUCOM.

SPAIN IS FACED WITH THE DIFFICULT PROBLEM OF LOW GROWTH,

STAGNANT INVESTMENT, AND GROWING UNEMPLOYMENT ON THE ONE HAND, AND HIGH INFLATION (OVER 20 PERCENT), LARGE BALANCE OF PAYMENTS DEFICITS, AND GROWING EXTERNAL DEBTEDNESS ON THE OTHER. THE GOVERNMENT HAS DECIDED TO DELAY NECESSARY STABILIZATION MEASURES UNTIL SOMETIME AFTER THE JUNE ELECTIONS, SEEKING IN THE MEANTIME ADDITIONAL FOREIGN CREDITS. SINCE EXPANDING EXPORTS ARE VITAL TO IMPROVING SPAIN'S ECONOMIC SITUATION, THE SPANISH GOVERNMENT IS HIGHLY SENSITIVE TO ANY RESTRICTIONS WHICH THE U.S. AND OTHER COUNTRIES MAY PLACE ON IMPORTS OF SPANISH PRODUCTS.

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THIS IS LARGELY A REPORT OF THE COMMITTEE'S ONE MEETING, IN MARCH. OREJA IS LIKELY TO SUGGEST THAT THE WORK OF THIS COMMITTEE BE INTENSIFIED, IN LIGHT OF THE IMPORTANCE TO SPAIN OF SPECIFIC BILATERAL TRADE COMPLAINTS. YOU MAY WISH TO

-- NOTE THAT ON BOTH SIDES SPECIFIC TRADE ISSUES MUST OFTEN BE DEALT WITH THROUGH CHANNELS ESTABLISHED BY LEGISLATION AND MULTILATERAL AGREEMENT, BUT THAT THIS JOINT COMMITTEE CAN PLAY A HELPFUL CONSULTATIVE ROLE.

SHOULD FOREIGN MINISTER OREJA WANT TO DISCUSS ECONOMIC MATTERS IN MORE DETAIL, YOU MAY WISH TO SAY:

1. THE U.S. IS COMMITTED TO THE EXPANSION OF WORLD COMMERCE AND TO THE REDUCTION OF TRADE RESTRICTIONS IN MULTILATERAL TRADE NEGOTIATIONS. EACH NATION, OF COURSE, MUST OPERATE WITHIN ITS OWN LEGAL STRUCTURE ON TRADE MATTERS AND MUST TAKE INTO CONSIDERATION THE INTERESTS OF ITS OWN DOMESTIC INDUSTRIES. PRESIDENT CARTER'S RECENT DECISION NOT TO PLACE QUOTAS ON SHOE IMPORTS IS AN ILLUSTRATION OF THE ADMINISTRATION'S COMMITMENT TO OPEN TRADING.

2. ANY ECONOMIC ASSISTANCE FOR SPAIN WOULD LIKELY BE A MULTI-LATERAL EFFORT DEPENDING PRIMARILY ON THE RESOURCES OF INTERNATIONAL FINANCIAL INSTITUTIONS AND PRIVATE BANKS, AND
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GEARED TO A WELL-CONCEIVED STABILIZATION PLAN. WE SUGGEST SPAIN UNDERTAKE EARLY CONSULTATIONS WITH THE IMF TO DEVELOP SUCH A PLAN.

3. IN THE NUCLEAR FIELD, THE U.S. WANTS TO EXPAND THE USE OF NUCLEAR ENERGY FOR PEACEFUL PURPOSES, WHILE STRENGTHENING CONTROLS TO PREVENT DIVERSION OF NUCLEAR MATERIALS FOR WEAPONS CONSTRUCTION.

JOINT COMMITTEE FOR SCIENTIFIC AND TECHNOLOGICAL COOPERATION

THIS COMMITTEE IS WORKING ACTIVELY TO PUT TOGETHER, FOR APPROVAL AT A MEETING ON MAY 16 (WHICH MRS. MINK WILL ATTEND), THE FIRST COOPERATIVE RESEARCH PROGRAMS UNDER THE TREATY, DRAWING ON THE \$4.6 MILLION ANNUAL FUNDING BY THE U.S. THESE FIRST PROGRAMS ARE EXPECTED TO BE IN SUCH FIELDS AS SOLAR ENERGY, OCEANOGRAPHY, AND AGRICULTURE. THE COMMITTEE'S REPORT RAISES NO ISSUES REQUIRING DISCUSSION. HOWEVER, YOU MAY WISH TO

-- EXPRESS PLEASURE THAT THE JOINT COMMITTEE WILL MEET ON MAY 16;

-- EXPRESS THE HOPE THAT THE S & T PROGRAM WILL NOW MOVE REPIDLY TO FULL IMPLEMENTATION;

-- NOTE THAT THE UNITED STATES STRONGLY SUPPORTS THE HIGH PRIORITY ASSIGNED IN THE TREATY TO COOPERATIVE SOLAR ENERGY RESEARCH, ESPECIALLY FOR THE LONG TERM, AND THAT THE U.S. ENERGY RESEARCH AND DEVELOPMENT AGENCY IS WORKING ACTIVELY WITH THE SPANISH MINISTRY OF INDUSTRY TO DEVELOP A RESEARCH PROGRAM IN THIS AREA.

JOINT EDUCATIONAL AND CULTURAL AFFAIRS COMMITTEE

PREPARATIONS ARE WELL ADVANCED IN THIS COMMITTEE FOR A NEW ADMINISTRATIVE STRUCTURE TO MANAGE THE \$2.4 MILLION ANNUAL PROGRAM. THE RESULTS OF THE FIRST WIDE PUBLIC SOLICITATION OF
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PROPOSALS IN SPAIN ARE NOW UNDER REVIEW BOTH IN THIS FIELD AND THAT OF SCIENCE AND TECHNOLOGY. THIS REPORT RAISES NO ISSUES

REQUIRING DISCUSSION.

SHOULD OREJA SHOW INTEREST IN DISCUSSING THE EDUCATIONAL AND CULTURAL PROGRAM, YOU MAY WISH TO

-- REFER TO THE IMPORTANCE ATTACHED IN THE U.S. TO THE CULTURAL HERITAGE FROM SPAIN, EVIDENCE OF WHICH WAS PROVIDED AT THE TIME OF THE VISIT OF HIS MAJESTY JUAN CARLOS IN THE SPRING OF LAST YEAR;

-- EXPRESS THE HOPE THAT THE SPECIAL ATTENTION DEVOTED IN THE TREATY TO KNOWLEDGE OF EACH OTHER'S LANGUAGES WILL BEAR FRUIT;

-- ACKNOWLEDGE THAT SUBSTANTIAL PROGRESS WAS MADE AT THE MAY 5 MEETING OF THE JOINT COMMITTEE TOWARD ESTABLISHMENT OF A BINATIONAL ADMINISTRATIVE STAFF AND ON FURTHER ACTIVE CONSIDERATION OF PROJECTS SUCH AS

-- SUMMER TRAINING OF LANGUAGE TEACHERS,

-- SUPPORT FOR THE SPANISH INSTITUTE IN NEW YORK CITY, AND

-- MICROFILMING OF THE COLLECTION OF THE ARCHIVES OF THE INDIES IN SEVILLE (THE WORLD'S PRINCIPAL STORE OF DOCUMENTATION ON SPANISH COLONIZATION OF THE NEW WORLD).

JOINT COMMITTEE FOR POLITICO-MILITARY ADMINISTRATIVE AFFAIRS

THIS COMMITTEE DEALS WITH THE FULL RANGE OF STATUS-OF-FORCES MATTERS AND UTILIZATION OF THE U.S. MILITARY FACILITIES ON SPANISH BASES. IT IS THE MOST ACTIVE COMMITTEE OF THE COUNCIL. THE REPORT REVEALS THAT SEVERAL EARLY TASKS ASSIGNED THE COMMITTEE BY THE TREATY AND THE AGREEMENT IN IMPLEMENTATION HAVE NOT YET BEEN CARRIED OUT; HOWEVER, THIS IS BY MUTUAL AGREEMENT
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AND THE REPORT RAISES NO ISSUES REQUIRING DISCUSSION. THE REPORT, IN NOTING THE SPANISH DESIRE FOR MORE INFORMATION ON THE U.S. UNITS IN SPAIN AND PROBLEMS IN DEVELOPING AN AGREED INVENTORY OF THE U.S. FACILITIES--ITEMS II A AND B--REFLECTS THE STRONG SPANISH DESIRE IN THE TREATY NEGOTIATIONS AND SINCE TO GAIN GREATER, AND MORE CENTRALIZED, CONTROL OVER U.S. MILITARY ACTIVITIES IN SPAIN. THIS HAS NOT YET BECOME TROUBLESOME IN IMPROTANT WAYS. YOU MIGHT WISH TO

-- EXPRESS GRATIFICATION FOR THE ARRANGEMENTS MADE--SEE ITEM II C--FOR U.S. NAVY NUCLEAR-POWERED SHIPS TO VISIT SPANISH PORTS;

-- EXPRESS PLEASURE AT THE SPIRIT OF COOPERATION THAT HAS BEEN

DEMONSTRATED IN IMPLEMENTING THE COMPLEX AGREEMENT IN IMPLEMENTATION OF THE TREATY (STATUS-OF-FORCES AGREEMENT), AND YOUR UNDERSTANDING THAT COMMUNITY RELATIONS ARE GOOD. STABLER

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